

Leadership Group *for* Responsible Recruitment

Statement of Intent

May 2016

A major cause of forced labour in today's global supply chains is the charging of recruitment fees to migrant workers. Our aim is bold - the eradication of worker fees over the coming decade. The Leadership Group for Responsible Recruitment is a collaboration between leading companies and expert organisations to drive positive change in the way that migrant workers are recruited through a different business model. We believe no worker should pay for a job – the costs of recruitment should be borne not by the worker but by the employer – the 'Employer Pays Principle'. Adoption of this principle across all industries is fundamental to combatting exploitation, forced labour and trafficking of migrant workers in global supply chains and represents an important step in achieving the UN Sustainable Development Goal of decent work for all.

Aims

1. **Raise awareness** about the positive benefits of ethical recruitment as well as the consequences of unethical recruitment practices such as debt bondage and forced labour, particularly for low-skilled migrant workers.
2. **Leverage CEO and senior executive leadership** of companies to call for commitment to the 'Employer Pays Principle' by industry peers across all sectors.
3. **Advocate for improved protection** for migrant workers by supporting government efforts toward better regulation of the recruitment industry, in line with the UN Guiding Principles' 'state duty to protect'.
4. Embed responsible corporate practice by providing a **roadmap of concrete actions** to move beyond commitment to the 'Employer Pays Principle' to implementation of policy and practice by companies and suppliers.
5. **Maximise scale and impact** by collaborating with and reinforcing other complementary business initiatives such as The Consumer Goods Forum on Fighting Forced Labour and the Electronics Industry Citizenship Coalition Working Group on Protecting Vulnerable Workers.
6. **Drive positive change in the recruitment industry** by encouraging direct hire where possible, and by supporting the development and implementation of systems to identify ethical recruitment agencies, such as the International Recruitment Integrity System (IRIS).

Goals for the next 1-5 years

To achieve our vision of a world where no worker pays fees to secure employment, we seek to achieve the following milestones in the short- and medium-term:

1. A **practical roadmap** for companies to implement the 'Employer Pays Principle' with suppliers/sub-contractors.
2. **Strong commitments** by leading companies in all target industries to adopt the 'Employer Pays Principle' and to require suppliers to prioritise direct hire or ethical recruitment agencies certified by credible assurance schemes wherever possible.
3. Inclusion of the 'Employer Pays Principle' in target **industry association codes of conduct**, based on the Electronics Industry Citizenship Coalition Code of Conduct.
4. A **year-on-year increase** in the number of recruitment agencies and associations working to a business model based on the 'Employer Pays Principle'.
5. Inclusion of the 'Employer Pays Principle' in selected **multilateral frameworks and dialogue processes** relating to recruitment of migrant workers.
6. Concrete progress towards **improved legislation and enforcement** on the prohibition of worker fees for the recruitment industry in key home and host country governments, underpinned by greater transparency requirements.
7. Firm commitments by key **investors** to include the 'Employer Pays' principle in due diligence screening of companies.

Founder members of the Leadership Group

Convened by the Institute for Human Rights and Business (IHRB), founder members include:

- The Coca-Cola Company
- HP Inc.
- Hewlett Packard Enterprise
- IKEA
- Unilever
- Interfaith Center for Corporate Responsibility
- International Organization for Migration
- Verité

Target industries for engagement by the Leadership Group

The focus of engagement for industry-wide progress on worker fees would include though not be restricted to the following: recruitment; construction; apparel; hospitality; agriculture/agribusiness; FMCG; electronics.

Key multilateral frameworks and dialogue processes

- UN Sustainable Development Goals (Goal 8 – Decent Work)
- Global Forum on Migration and Development
- Abu Dhabi and Colombo Processes
- ILO Tripartite Declaration on Multinational Enterprises
- OECD Guidelines on Multinational Enterprises



The Coca-Cola Company



IHRB would like to thank Humanity United and GE Foundation for their generous support of this initiative.

Leadership Group *for* Responsible Recruitment

The 'Employer Pays' Principle

The Leadership Group for Responsible Recruitment believes that no worker should pay for a job - the cost of recruitment should be borne not by the worker but by the employer - the 'Employer Pays Principle'. This is fundamental to changing the business model regarding the recruitment of migrant workers. We call for the 'Employer Pays Principle' to be embedded in corporate and government policy and practice - to protect migrant workers and counter the risk of forced labour in their own operations, business relationships and global supply chains.

A. Migrant workers shall not be required to pay for their employment.

B. The costs and fees associated with recruitment, travel and processing of migrant workers shall be covered by the employer from their home community to the workplace, and return when the relocation is not permanent.

These include:

- Pre-departure fees and costs eg. skills tests, medical examinations
- Costs associated with documentation and/or permits
- Transportation and lodging costs
- Arrival / Orientation / On-Boarding
- Costs associated with return to country of origin, when the contract is temporary.

C. Employers should pay the costs of recruitment directly to the extent possible. When not possible, or where the migrant worker is legally required to pay a fee or cost directly, the migrant worker shall be reimbursed by the employer as soon as practicable upon discovery.

